

AMENDED IN ASSEMBLY JANUARY 18, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 108**

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**Introduced by Assembly Members Benoit, *Carter*, Cook, and Sharon Runner**

**(Principal coauthors: Assembly Members Adams, Garcia, and Jeffries)**

**(Coauthors: Assembly Members Alarcon, ~~Fuller~~, *Berryhill*, *Fuller*, *Horton*, *Krekorian*, and ~~Maze Maze~~, *Richardson*, *Strickland*, *DeVore*, *Garrick*, *Huff*, *Spitzer*, and *Tran*)**

**(Coauthors: Senators Cox, Dutton, Harman, Hollingsworth, and Wyland)**

January 4, 2007

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~~An act to add Section 23709.5 to the Revenue and Taxation Code;~~  
*An act relating to taxation, to take effect immediately, tax levy.*

LEGISLATIVE COUNSEL'S DIGEST

AB 108, as amended, Benoit. Taxation: California Fallen Firefighters Assistance Tax Clarification Act of 2006.

The Corporation Tax Law exempts certain organizations from taxation, as provided.

This bill would provide that payments made by an exempt organization, as defined, on or after October 26, 2006, *and before June 1, 2007*, to any family member of a firefighter who died as a result of the October 2006 Esperanza Incident fire in ~~southern~~ *Southern* California would be treated as payments made in furtherance of the charitable purpose of that organization. This bill would make a legislative finding and declaration relating to the public purpose served by the bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. This act shall be known and may be cited as the  
2     California Fallen Firefighters Assistance Tax Clarification Act of  
3     2006.

4     ~~SEC. 2. Section 23709.5 is added to the Revenue and Taxation~~  
5     ~~Code, to read:~~

6     ~~23709.5. (a) For purposes of Part 10 (commencing with Section~~  
7     ~~17001), Part 10.2 (commencing with Section 18401), and this part,~~  
8     ~~payments made on behalf of any firefighter who died as a result~~  
9     ~~of the October 2006 Esperanza Incident fire in southern California;~~  
10    ~~to any family member of such firefighter by an organization~~  
11    ~~described in paragraph (1) or (2) of Section 509(a) of the Internal~~  
12    ~~Revenue Code shall be treated as related to the purpose or function~~  
13    ~~constituting the basis for that organization's exemption under this~~  
14    ~~chapter if the payments are made in good faith using a reasonable~~  
15    ~~and objective formula which are consistently applied.~~

16    ~~(b) Subdivision (a) shall apply only to payments made on or~~  
17    ~~after October 26, 2006.~~

18    ~~SEC. 2. (a) For purposes of Part 10 (commencing with Section~~  
19    ~~17001), Part 10.2 (commencing with Section 18401), and Part 11~~  
20    ~~(commencing with Section 23001) of the Revenue and Taxation~~  
21    ~~Code, payments made on behalf of any firefighter who died as a~~  
22    ~~result of the October 2006 Esperanza Incident fire in Southern~~  
23    ~~California to any family member of such firefighter by an~~  
24    ~~organization described in paragraph (1) or (2) of Section 509(a)~~  
25    ~~of the Internal Revenue Code shall be treated as related to the~~  
26    ~~purpose or function constituting the basis for that organization's~~  
27    ~~exemption under Chapter 4 (commencing with Section 23701) of~~  
28    ~~Part 11 of the Revenue and Taxation Code if the payments are~~  
29    ~~made in good faith using a reasonable and objective formula which~~  
30    ~~is consistently applied.~~

31    ~~(b) Subdivision (a) shall apply only to payments made on or~~  
32    ~~after October 26, 2006, and before June 1, 2007.~~

33    SEC. 3. The Legislature finds and declares that the enactment  
34    of this act and the retroactive application provided by Section 2  
35    of this act are necessary for the public purpose of providing relief

1 under California law, by treating payments made by an organization  
2 to any family member of any firefighter who died as result of the  
3 Esperanza Incident fire in ~~southern California~~, *Southern California*  
4 as payments made in furtherance of the charitable purpose of that  
5 organization in order to prevent the loss of that organization's tax  
6 exempt status.

7 SEC. 4. This act provides for a tax levy within the meaning of  
8 Article IV of the Constitution and shall go into immediate effect.

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